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- EMERSON, H. *Railroad piece rates*. (New York: The Emerson Co., 30 Church St. 1919. Pp. 10.)
- HUEBNER, G. G. *Ocean steamship traffic management*. (New York: Appleton. 1919. \$3.)
- LOVETT, R. S. *Railroad legislation as developed up to date*. (New York: Author, 120 Broadway. 1919. Pp. 24.)
- OGILVIE, P. M. *International waterways*. (New York: Macmillan. 1919. \$3.)
- SULLIVAN, W. W. *Accomplishments of the military railways*. (Washington: Railway Accounting Officers Assoc. 1919. Pp. 17.)
- Decisions of the Interstate Commerce Commission of the United States, December, 1918, to April, 1919*. Vol. 52. (Washington: Supt. Docs. 1919. \$1.50.)
- Labor's plan for government ownership and democracy in the operation of the railroads*. (New York: Plumb Plan League. 1919. Pp. 32.)
- New York and New Jersey Port and Harbor Development Commission. Progress report*. (Albany. 1919. Pp. 216.)
- The Russian government's plan of future railroad construction*. (New York: Youraveta Home & Foreign Trade Co. 1919. Pp. 101.)
- Thirty-third annual report of the Interstate Commerce Commission, December 1, 1919*. (Washington. 1919. 35c.)
- Your street car service. A statement of the facts about the situation of the New York Railways Company*. (New York: N. Y. Rys. Co. 1919. Pp. 37.)

Trade, Commerce, and Commercial Crises

- Resale Price Maintenance*. By CLAUDIUS TEMPLE MURCHISON. Columbia University Studies in History, Economics, and Public Law, vol. LXXXII, no. 2. (New York: Longmans, Green and Company. 1919. Pp. 202. \$1.50.)

To tackle the subject of price maintenance with its ramifications into economic theory or into marketing is not a small task, as the reviewer has demonstrated by his own small experience. A student is confronted by a mass of conflicting testimony from which he must extract a grain of truth. Price maintenance is essentially a marketing problem and the student must know marketing systems and exercise much judgment in order to appraise the facts, the near facts, and the assertions which are presented to him by interested individuals. Dr. Murchison lays the foundation for discussion of price maintenance in the two chapters upon marketing:

The Organization of the Market, and Irregularities of the Present Retailing System. Some objection might be made to classifying the newer types of retailer, such as chain stores, department stores, and mail order houses, as irregularities. The small prospect of their being "smoothed out" of the marketing system gives little reason for continuing to regard them as any more irregular than the traditional type of retailer who bought from the wholesaler.

In the statement of the problem and definition of price cutting, distinction is made between economically justifiable price cutting, which must be profit yielding, and the low cost price cutting which is said to be not economically justifiable. A distinction is also made between direct price cutting and indirect price cutting; the former denoting merely a decrease in the usual selling price of the goods, the latter being marked not by deviations from the usual price but by giving free trading stamps, coupons, and various kinds of premium. Theoretically, the distinction between profit-yielding price cutting and non-profit-yielding offers a mode of escape from the difficulties which price maintenance encounters in dealing with prices which have been cut because of superior efficiency.

The discussion of price maintenance is given in chapters five to eight. The discussion of price control and its relation to quality and service brings the statement that, although in a few instances the standardized goods may have been injured by the low cost price cutting, standardization does not rest upon price maintenance. It declares that profit-yielding price cutting should not yet be abandoned but, of course, should be confined to the more efficient. Those who cannot afford it should not practice it and should not be allowed to practice it. In discussing the effect upon retail prices, the author agrees with Professor Taussig in the opinion that price maintenance would be a barrier which would block the trial and possible adoption of new devices and methods in marketing commodities. In reply to the argument of manufacturers of branded goods that they have a moral right to fix the reselling price of their goods upon the basis of their goodwill, Dr. Murchison comes to strong conclusions that:

Howsoever great be the industry of the producer, the brains, the skill, the energy or the toil he has exercised; howsoever great the responsibilities he has assumed, the risks he has shouldered; howsoever precious to the people be the product which his genius, his capital, his energy

have united to create and to establish in the markets of the world; howsoever enormous the fortunes he has spent in consummating his ambitions in any way; despite all these things there attaches to him no moral right to fix all prices over the heads of jobbers, wholesalers, retailers, and consumers, with no consideration of the other interests involved. Such a right, if universally bestowed, would make of the distributive system an economic feudalism, with the consumer as the unhappy serf.

As a whole Dr. Murchison takes what he calls a middle ground; that the system of resale price maintenance, in order to be acceptable and just, must have the quality of flexibility allowing for price valuation as costs vary, and restrictions must be imposed upon the manufacturer consistent with those imposed upon dealers. The object of such a plan seems to be the abolition of predatory price cutting and the elimination of the desire on the part of the retailers to discontinue handling the goods subject to price cutting, while allowing the manufacturer to establish prices and giving a profit. He meets the objection of impracticability of enforcement by suggesting that an administrative body with wide discretionary powers be appointed. He considers this solution of the price maintenance problem not unlike that effected by the Interstate Commerce Commission in the matter of regulating railway rates. The reviewer is skeptical of the advantages of any such half-way plan over the possible development of judicial regulation under the statute and common law with respect to fair trade.

A serious study such as this is to be commended even though it does not say the last word upon price maintenance. The future development of marketing knowledge should enable some student to give an appraisal which we may accept as more satisfying, more final, than present conditions allow Dr. Murchison to make.

HARRY R. TOSDAL.

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NEW BOOKS

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FELD, W. "*Anti-dumping*," *Prämienklausel und Ausgleichszölle als weltwirtschaftliche Kampfmittel gegen fremdländische Ausfuhrförderung.* (Tübingen: Mohr. 1919.)

DE HAAS, J. A. *Foreign trade and shipping.* (New York: Alexander Hamilton Inst. 1919. Pp. xvii, 340.)